WEEKLY ECONOMIC REVIEW

March 24, 2006

The Government of Alberta released Budget 2006 on March 22. Below are some highlights of the economic outlook for Alberta, supporting the expectations of a strong Alberta economy through to 2009.

Economic growth is expected to be 4.8 per cent in 2006, led by oil sands production, investment and consumer spending, as well as an improving agriculture sector.

The economy is expected to grow by an average of 3.5 per cent per year from 2007 to 2009. Several factors, including a vibrant energy sector, strong business investment, robust consumer spending and a healthy labour market will sustain this performance.

Alberta will remain at full employment, with employment growing by 2.2 per cent per year and the unemployment rate remaining below 4 per cent through to 2009. Over the forecast period, Alberta is expected to gain an average of 20,000 people per year from other provinces. Housing starts are expected to remain above 40 thousand in 2006 and average over 36 thousand units per year between 2007 and 2009.

Alberta international exports increased by 18.5 per cent in 2005 to a record $79.2 billion. Increases in energy prices boosted the overall gains. The United States remains Alberta's most important export market, receiving about 90 per cent of Alberta's exports. China (2.4 percent), Japan (1.6 per cent) and the European Union (1.4 per cent) were the other top destinations for Alberta's exports.

Cdn Dollar (C¢/US$)

Mar 24, 2006	85.7¢
Mar 17, 2006	86.3¢
2005-06 YTD	83.8¢

WTI Oil US$/bbl

Mar 23, 2006	$63.91
Mar 16, 2006	$63.58
2005-06 YTD	$59.86

Nymex Natural Gas C$/mcf*

April Contract

Mar 24, 2006	$8.62
Mar 17, 2006	$8.33

*Estimate based on Nymex Futures Market Price

In other trade news, five Alberta meat plants were designated as safe from mad cow disease by Japanese officials this week and were granted continued access to Japanese markets for beef products.

Retail sales in Canada saw a monthly increase of 1.4 per cent in January, due mostly to the use of Christmas gift cards and warmer-than-usual temperatures. Within Alberta, sales continued to soar, increasing 2.4 per cent from last month and were up 16.7 per cent from January 2005, 9.8 percentage points above the Canadian average.

Economic Indicators Released this Week	Reference Period	Month/Previous Month	Month/Previous Year's Month
Retail Trade ($ Millions)	**January**		
Alberta	4,409	2.4%	16.7%
Canada	31,823	1.4%	6.9%
International Exports ($ Millions)	**2005**	**2004**	**Annual % Change**
Alberta	79,210.3	66,838.2	18.5%
Canada	407,620.8	385,087.3	5.9%

Source: Statistics Canada, World Trade Atlas

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